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**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,

Plaintiff,

vs.

MICHAEL B. ZIPPRICH, AMERICA'S
REHAB CAMPUSES, LLC, AMERICA'S
REHAB CAMPUSES – ARIZONA, LLC, and
ARIZONA REHAB CAMPUS, LLC,

Defendants.

CASE NO.: 2:20-cv-02308-JCM-DJA

**STIPULATION AND
TO STAY PROCEEDING**

ORDER

(THIRD REQUEST)

Plaintiff United States Securities and Exchange Commission ("SEC") and Defendants Michael B. Zipprich, America's Rehab Campuses, LLC, America's Rehab Campuses – Arizona, LLC, and Arizona Rehab Campus, LLC (collectively "Defendants") (SEC and Defendants are collectively

1 referred to herein as the "Parties" and individually as "Party"), by and through their undersigned counsel
2 of record, hereby make a third request for an order to stay the proceeding for an additional sixty (60)
3 days to allow the Parties to finalize the necessary settlement paperwork and related documentation. In
4 support of this request, the Parties state as follows:

5 1. The Parties have reached a settlement in principle to resolve all matters in controversy
6 between the Parties. This potential settlement is still subject to a) the Parties agreeing to appropriate
7 documentation and b) approval by the Commissioners of the SEC.

8 2. On November 24, 2021, the Parties filed a first request to stay the proceeding for
9 sixty (60) days. (ECF No. 30). On December 7, 2021, the Court granted the Parties' stipulation to stay
10 the proceeding. (ECF No. 31).

11 3. On February 4, 2022, the Parties filed a second request to stay the proceeding to afford
12 the Parties additional time to finalize a settlement (ECF No. 32). On February 4, 2022, the Parties also
13 filed a Joint Status Report outlining the progress the Parties had made in finalizing a settlement
14 (ECF No. 33). On February 11, 2022, the Court granted the Parties' stipulation to stay the proceeding.
15 (ECF No. 34).

16 4. The Parties have reached a settlement in principle and continue to work towards
17 finalizing settlement documentation and complete due diligence. As part of the settlement in principle,
18 SEC staff agreed to propose a payment plan to the Commission. In order to proceed with the proposed
19 payment plan, the SEC's Commissioners, who are the only ones that have authority to accept or reject a
20 settlement proposal on behalf of the SEC, require detailed financial information and substantiating
21 documentation going back years to support a feasible payment plan. This financial information is
22 different from and in addition to financial information Defendants already provided regarding
23 disgorgement calculations. The Parties need additional time to compile and review this financial
24 information and finalize other settlement documentation.

25 5. After the Parties finalize the appropriate settlement documentation, the Parties would
26 request a further stay so that the SEC Commissioners could consider a settlement recommendation. The
27 SEC consists of five Commissioners appointed by the President with the advice and consent of the
28 Senate. 15 U.S.C. § 78d(a). Only the Commissioners, and not the staff of the SEC, have authority to

1 settle an action filed in federal district court. The process to determine if the Commission will accept
2 the settlement offer can take up to eight weeks.

3 6. The SEC has not yet started the internal process of having the Commissioners review the
4 settlement proposal but will do so once settlement documentation is complete. After the Parties finalize
5 the settlement documentation, the Parties may request an additional stay so that the Commissioners can
6 consider the settlement offer.

7 7. Before the expiration of the additional sixty-day period requested herein, the Parties will
8 submit to the Court a status report on the progress of finalizing the settlement documentation.

9 DATED this 12th day of April, 2022.

DATED this 12th day of April, 2022.

10 SECURITIES & EXCHANGE COMMISSION PISANELLI BICE PLLC

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21
22 **ORDER**

23 IT IS SO ORDERED.

24
25 
UNITED STATES DISTRICT JUDGE

26 DATED: April 15, 2022
27

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